



STATE OF TENNESSEE
TENNESSEE COMMISSION ON CHILDREN AND YOUTH

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AUDIT COMMITTEE

Board of Education Conference Room
Andrew Johnson Tower, Ninth Floor
Thursday, July 27, 2006
3:30 p.m.

MINUTES

Committee Members Present

Jim Ford, Chair
Jerry Maness
Beverly Cosley
Trudy Hughes
Cindy Durham

Staff Present

Linda O'Neal, Executive Director
Pam Brown
Debrah Stafford
Richard Kennedy

Committee Members Absent

Chair Ford called the meeting to order at 3:15 p.m..

I. Approval of May Minutes

IT WAS MOVED (HUGHES) AND SECONDED (COSLEY) TO APPROVE THE MAY AUDIT COMMITTEE MEETING MINUTES. UNANIMOUSLY CARRIED.

II. Audit Committee Charter (ACTION)

O'Neal discussed the requirement for a charter along with the sample charter that was developed by the Commission. Ford stated that the charter presented is a standard format except that we have changed a few words. Ford recommended it to the committee.

IT WAS MOVED (HUGHES) AND SECONDED (MANESS) TO APPROVE THE AUDIT COMMITTEE CHARTER. UNANIMOUSLY CARRIED.

III. Performance Audit Draft Response (ACTION)

Ford presented the audit draft identifying an error on page four line four which should say JCEC also designated \$25,000 instead of \$50,000 for the Department of Children's Services.

O'Neal stated that the Audit Committee approves the response and sends it to the full Commission for approval. It is then sent to the Comptroller's Office. After reviewing the response, they may decide some of the items are not findings. They will then send us the final version and remove it from the draft status.

IT WAS MOVED (MANESS) AND SECONDED (COSLEY) TO APPROVE THE AUDIT DRAFT RESPONSE TO THE COMPTROLLERS OFFICE WITH THE CORRECTION ON PAGE FOUR. UNANIMOUSLY CARRIED.

IV. Financial Audit Update

O'Neal stated the letter that was sent to the Comptroller's Office March 30, 2006 was required in response to the Financial Audit. We received a letter in return indicating the audit is now closed and the corrective items will be reviewed in a subsequent audit.

O'Neal reported that there should be an expectation the next time we are audited that we will have an audit finding for not timely drawing down federal dollars during the past year. For fiscal year 2006-2007, we have procedures in place to prevent that from happening now and in the future. O'Neal handed out a packet of information for committee members with the letter

V. Annual Grant/Contract Monitoring Plan

O'Neal stated the reduction in force for the two program monitors will mean that the regional coordinators will have to pick up some of the monitoring activities. We have to determine the minimum amount we have to monitor for compliance with state and federal requirements. At the same time we need to consider what is reasonable. A monitoring plan for is due to the Department of Finance and Administration (F&A) October 1, 2006 and we may need to convene the Audit committee by teleconference to discuss and receive approval of the monitoring plan. O'Neal state the small amount of some TCCY contracts does not always warrant an expensive monitoring process.

Ford recommended a risk assessment to determine what level of monitoring is required for each grantee. Statistical sampling can be used to help manage the monitoring workload. Grantees that are having the problems can be identified for more intensive monitoring. Stafford stated that in a meeting we had with F&A, we set the stage for changes in our monitoring procedures. Smaller grants under \$25,000 may not need to be monitored at all. Ford suggested we may want to encourage Coordinators to stop in and informally meet with grantees that have the smaller amounts. Ford recommended a form to document when the staff visits the smaller agencies. Hughes suggested that Commission members may want to accompany the coordinators to learn and support the process.

IV. Other Business

Durham reported we are supposed to be displaying a poster with the fraud and abuse hot line from the Comptrollers Office. Stafford produced the poster that is on display at TCCY.

IT WAS MOVED (COSLEY) AND SECONDED (HUGHES) TO ADJOURN THE AUDIT COMMITTEE. UNANIMOUSLY CARRIED.

Meeting adjourned at 3:45 p.m.

Minutes Submitted by:

Minutes Approved by:

Pam Brown, Director KIDS COUNT

Jim Ford, Chair

H DRIVE/SHARED FILES/COMISSION/MINUTES FOLDER